

14/04/1998

## France pledges to continue investments in Malaysia

Hamisah Hamid

THE flow of French investment into Malaysia will not be interrupted by regional economic woes as Malaysia has "the economic problems under control", visiting French Minister of State for Foreign Trade Jacques Dondoux said.

He said unlike some European countries, France will not revise its investment plans in Malaysia.

"Certain European countries have started to do so in Asia. But, we see Malaysia as overcoming the (economic) crisis.

"You have shown that you have it under control," Dondoux told reporters in Kuala Lumpur yesterday.

He said although the French Government leaves investment decisions to its private sector, it has assured French businesses that Malaysia has everything under control.

Dondoux said there will be further cooperation between Malaysia and France in the telecommunications and multimedia areas and industrial meetings will be held.

"We already have investments in telecommunications by companies like Alcatel here in Malaysia.

"Now, we are discussing opportunities in the multimedia sector," he said.

France is the fourth-largest investor in Malaysia from the European Union after Germany, the UK and The Netherlands.

At end-1997, there were 253 French companies operating in Malaysia.

Among these are Fichet Bauche, Mafipro MAPA Group of Companies, Jourbert, Michelin, Peugeot and Montagut.

Earlier in her speech, International Trade and Industry Minister Datuk Seri Rafidah Aziz said between 1990 and 1997, the Malaysian Industrial Development Authority (Mida) approved 33 French projects with capital investment of RM4.3 billion.

The French investments are mainly in the production of rubber products, non-metallic mineral products, textiles, electronics, plastics, petroleum and coal and food manufacturing.

She said total bilateral trade between both countries in the first two months this year was RM971.6 million and Malaysia exported products worth RM409.3 million to France. Bilateral trade in 1997 amounted to RM6.35 billion, up from RM5.56 billion the previous year.

Last year, Malaysian exports to France were worth RM2.097 billion and imports were valued at RM4.253 billion.

Bank Negara statistics show that Malaysia's investments in France between 1991 and 1997 totalled RM24.6 million, mostly in the form of equity investment, loans and purchase of real estate.

According to Mida, there is potential for France to further invest in capital and high-technology industries such as the production of machine tools, heavy equipment, automotive parts and in resource-based and petrochemical industries.

Both Dondoux and Rafidah witnessed the signing of a memorandum of understanding (MOU) between Mida and the Agency for the International Development of French Technology and Trade (CFME-ACTIM).

The MOU is for the promotion of industrial and technological cooperation, in priority sectors such as telecommunications, multimedia, transport equipment, machinery and bio-technology.

It was signed by Mida director-general Datuk Zainun Aishah Ahmad and CFME-ACTIM chairman Jean-Claude Karpeles.

The MOU is an extension of a 1990 Malaysia-France economic and technical cooperation pact, which was dissolved at the end of last year due to budgetary constraints.

A local committee comprising officials from Mida and the French Embassy in Malaysia will monitor and review activities under the MOU.

The agreement will also facilitate cooperation between both parties when Rafidah leads a trade and investment mission to Europe from October 14 to 22 this year, during which seminars will be held in Zurich (October 16), Paris (October 19) and Stuttgart (October 21).

Dondoux arrived in Kuala Lumpur on Sunday and is scheduled to meet Prime Minister Datuk Seri Dr Mahathir Mohamad today before heading back to Paris.

(END)